



## OFFICE OF PUBLIC INSTRUCTION

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Linda McCulloch  
Superintendent

February 25, 2002

TO: District Clerk/Business Managers  
District Superintendents  
County Superintendents

FROM: Joan Anderson, Division Administrator  
School Budgets and Accounting

RE: **Technology Fund (MCA 20-9-533 and 534)**



This memo contains general information about the Technology Acquisition and Depreciation Fund (aka the "Technology Fund"). Please share this information with all interested board members and school district staff.

### **What is the Technology Fund (28)?**

- Fund has existed for several years, for receipts of the Technology "Timber" money.
- Budgeted fund (was non-budgeted until FY 2001-02).

### **Do I need to open a new Technology Fund?**

No. This fund was established several years ago. Each district already has the fund.

### **What can the Technology Fund be spent for?**

The Technology Fund is for "(a) the purchase, rental, repair, maintenance, and depreciation of technological equipment, including computers and computer network access; and (b) associated technical training for school district personnel." The fund cannot be used for contributions to the teachers' retirement system, public employees retirement system, federal social security system, or unemployment compensation insurance. (MCA 20-9-533)

### **The Technology Fund is a budgeted fund--What does that mean?**

Every district **MUST** adopt a Technology Fund budget in order to spend any money from the fund during FY 2002-03. The trustees should adopt the Technology Fund budget at the regular budget meeting on or by August 15, 2002.

### **What are the funding sources for the Technology Fund?**

- State Technology Aid ("timber" money) (Revenue Code 3281)
- Voted levy (optional)
- Non-levy revenues: Unless the district levied for the fund in FY 2001-02, interest will probably be the only non-levy source in FY 2002-03. In future years, any non-levy revenues that are distributed based on mills will be deposited in the Technology Fund relative to the number of mills levied.

-- State, federal, and local grants for technology. Most grants are accounted for in the Miscellaneous Programs Fund 15. Other grant for technology (usually non-OPI grants) may be deposited here, but the budget requirements make it somewhat less flexible than using Fund 15.

**Does the district have to apply for State Technology Aid?**

No. Each operating district will receive a payment in August, depending on the state appropriation.

**How does the state calculate the State Technology Aid for each district?**

The money is allocated based on the size of the district's BASE budget compared to the total of all districts' BASE budgets for the previous year (MCA 20-9-534). The state's appropriation (i.e., the amount OPI can distribute to schools) is based on timber harvests on Common School trust lands when the harvest exceeds a certain threshold. (MCA 17-7-502) The amount varies each year and is determined in August. The payment amount may or may not be available at the time budgets must be set.

**How much can a district levy in the Technology Fund?**

Contingent on voter approval, a district may levy an amount each fiscal year that does not exceed 20% of the original cost of any technological equipment, including computers and computer network access, that is owned by the district. The amount budgeted over time may not exceed 150% of the original cost of the equipment.

**How should the district document the amount of its levy?**

To determine its levy limit, the district must keep records showing the original cost of technology equipment and access costs, purchases made during the year, equipment disposed of during the year, and the amount levied for each asset to date (up to 150% of the original cost). These records should be retained for audit purposes.

The district can choose to levy based on some items and not others. For example, a district may "depreciate" a few larger items rather than many smaller items to allow tracking of fewer items while still supporting an adequate levy amount. It would be reasonable to levy to replace only the items that the district purchased and that are still in use, but there are no clear legal restrictions on those issues.

**Does the Technology Fund election have to be held along with the general fund election in May?**

No. The Technology Fund election is a special election that can be held at any time, as long as the proper election procedures are followed. OPI recommends the district hold a special election not later than August 1 in order to allow enough time for completing the process before the budget is adopted.

**How often is voter approval required for the Technology Fund levy?**

A vote is required to establish the levy. The voted dollar amount can be levied indefinitely as long as the levy does not exceed the 20%/150% limitations. To increase the levy, MCA 15-10-425 (HB179) requires another vote covering the amount of the increase.

**If the Technology Fund election fails, can the district run another election?**

Yes. The Technology Fund election is a special election, and there is no restriction against running it more than one time. Plan carefully to ensure election process timelines can be met if a second election is necessary.

**What should the ballot contain for the Technology Fund election?**

Ballot language must comply with MCA 15-10-425 (HB 179). Various ballot language would meet the requirements; however, an optional ballot is included in the 2002 School Election Handbook, posted on the OPI website [www.opi.state.mt.us](http://www.opi.state.mt.us) under <School Finance>.

**What should the trustees include in the Technology Fund budget?**

The district should budget to spend estimated revenue sources to be collected in the budget year PLUS any remaining fund balance that will be spent in the budget year. The budget should include:

- Estimated State Technology Aid payment;
- Technology levy amount;
- Estimated interest and any other non-levy revenues;
- The unspent fund balance from the previous year, if you plan to spend it in the budget year; and
- Any grants for technology deposited in this fund. If grants are accounted for in Fund 15, do not include them in the budget for this fund. If you budget for a grant, budget enough to spend any accumulated amount or carryover amount from the prior year, plus the amount of the award to be received and spent in the budget year.

As with any budgeted fund, the district must carefully monitor spending to accommodate differences between budgeted and actual revenue receipts.

**What can the district do if the Technology Fund budget is set too low to spend revenues received in the Technology Fund?**

For emergencies, the district can adopt a budget amendment to spend additional Technology Fund money. The budget may not be amended unless there is an emergency, so take care to adopt a large enough budget.

Additional Questions? Contact:

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